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“Best Practice: Immersive Market Research”

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Admap, November 2011, pp 44-45.

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“Best Practice: Immersive Market Research”

Dr Emma Macdonald and Professor Hugh Wilson

This month, Professor Hugh Wilson and Dr Emma Macdonald of Cranfield School of Management describe when and how to use immersive techniques for understanding the customer

A complacent, heavily unionised national airline is in severe trouble. Losing hundreds of millions annually, it appoints a new chief executive. As he arrives in the country accompanied by his chairman, the directors await them at the airline’s first-class exit, rolling out the red carpet. But the pair do not appear. Some time later, the chairman and the CEO emerge from behind the waiting dignitaries – having flown economy class to sample the widely criticised customer experience for themselves. Within half an hour, the whole company has heard the story, and even the media have picked it up, correctly deducing where the business’s priorities will now lie.

The airline was BA, the year was 1983, the chairman was Lord King, and the chief executive he had just appointed was Colin Marshall. And with this simple piece of immersive market research began a rapid turnaround of both the customer experience and the company finances, with a public sector basket-case becoming a private-sector flagship of Thatcher’s Britain within a few short years.

What is immersive market research? When is it needed?

Immersive research techniques allow researchers to capture behaviours, emotions and cognitive perceptions of individuals **in context at the moment where the individual experiences them**. They are needed when one or more of the following conditions is met.

1. *When you need to understand the customer’s use situation.* When do customers use our products and services? How do they use them? What’s going on around them at the time?
2. *When you are divorced from the customer’s world.* Marketing is easy when you yourself are in your target segment. When you’re not – if you’re addressing a different demographic, for example – immersive research can be valuable for building an intuitive understanding of the day-to-day world, and world view, of your customers.
3. *When you need ideas from your customers.* There’s nothing wrong with asking brand enthusiasts to submit new product ideas, like Nokia’s Design By Community 2010 exercise. But recent academic research suggests that the most *actionable* ideas come not from these highly satisfied, innovative customers but from the frustrations of average users in their everyday lives.
4. *When customers are integrating multiple resources to do their job.* Surveys are good at picking up dissatisfaction with the firm’s direct touchpoints, but when the customer is combining what the firm provides with resources from friends, family or other providers, it’s easy to miss out on valuable insights. For instance, a ferry company

discovered all sorts of opportunities for optimizing the journey on either side of the ferry trip which had been entirely missed by the firm's previous surveys.

5. *When retrospective methods are inadequate.* Humans tend to view past experiences through rose-coloured spectacles, and we rapidly forget the detail. Ethnographic work in Disneyworld revealed a simple but crucial insight: that while the theme park was well designed to meet the individual goals of parents and children of all ages, their *collective goals* had not been considered. A new family with children from prior relationships, for example, might have a collective goal of bringing the family together. This meant a redesign of space and time was needed.

Three types of immersive research

1. Ethnography

Ethnography involves spending time with your customer immersed in their daily life. It can cover just a part of the customer journey, as in mystery shopping, to the complete customer experience over the longer term.

P&G stands or falls by getting its product development right, so insight is crucial. Just as the FMCG giant had the first professional market research department, it has led the way in immersive research. A Mexican failure in the late 1980s was instructive. Its Ariel Ultra laundry detergent 'should' have worked: surveys confirmed that women appreciated the benefits of its concentrated formula in both use of limited storage space and price effectiveness. But it didn't foam, so housewives washing by hand didn't believe it was cleaning. And in practice they didn't believe that so little detergent would work.

Things were different after P&G concluded that the predominantly well-educated, upper demographic employees should spend time living with lower-income families, in their "Living it" programme. The Downy fabric softener launch in 2004, for example, was a major success. Its concept arose from the simple insight that a major problem for lower-income women was water. Often in short supply, and sometimes carried by hand, the average wash took six manual steps: wash, rinse twice, add softener, and rinse twice more. Downy reduced this to three: wash, add softener, and rinse. A major benefit to appearance proud but seriously stretched Mexican women.

Strengths of ethnographic approaches include the 360 degree view of the customer experience, the picking up of unmet needs, and the observation of unintended uses of products and services which may equally lead to new product ideas. *Weaknesses* include the sometimes prohibitive cost, the danger of reaching conclusions from a small number of cases which may not prove representative, and the impact on the customer's behaviour of invading their space.

2. Netnography

Netnography is online ethnography: immersion in the customers' world through online spaces. It involves largely textual analysis of content in consumer forums and/or blogs. Research may take the form of participant observation where consumers know the

researcher is amongst them and they are being observed, or it may involve ‘lurking’ in forums or analysis of archival material. Appropriate sites for netnography range from brand owned communities such as P&G’s SuperSavvyMe.com to third party websites such as consumer driven sites like MacRumors.com.

What constitutes value for football supporters? Dr Neil Hair of Rochester Institute of Technology conducted participant observation netnography for a Premiership football club over several months on its longstanding discussion board. After a while, fans opened up:

“I’m housebound with a long-term illness. This board truly is my lifeline. There’s often days I’m too ill to type, but just reading the posts in bed makes me feel less abnormal and alone. I’m so desperate to go to the ground it hurts, but speaking to people on here who go is the next best thing.”

What supporters got out of it was far too implicit to emerge readily in a focus group, but over time, the researcher could unpack it: release, fun, friendship, a sense of belonging, self-esteem and escape. Armed with this insight, the club could optimise these dimensions of value both online and offline. It introduced a meeting point at the ground, for example, to connect up fans who had met online.

Strengths of netnography include the readily available, rich data, with no interview transcription costs! Also, customer-to-customer interactions can be observed far more readily online than in most offline settings. *Weaknesses* include the bias from sampling only the subset of the target market who participate actively online, and the social desirability bias of participants reporting what they might imagine others want to hear.

3. Participant reporting

An alternative to both of these is to ask the customer to do the research on the firm’s behalf. Traditionally carried out by asking the customer to fill in a paper diary, recent variations include research agency Mesh Planning’s innovative TROI (Touchpoint Return On Investment) method, in which a panel of consumers sends a structured text message whenever they encounter the brand. Whatever the technology, the aim is to capture the customer’s experience as it occurs without the need for a researcher to be with them.

Why was a campaign for Lynx (known in some countries as Axe) working perfectly in countries such as Poland but not in Italy? Unilever found out fast using the TROI method. By capturing every brand contact from marcoms and word of mouth to usage as it occurred, they were able to spot the difference. While young Italians loved the TV ads just as much as the Poles, in Poland this was followed up by effective local activation, from shop window posters and in-store displays to sampling on the street. This bridged the gap between the TV ad at home and a purchase opportunity. As Italians like being out and about, learning from Poland wasn’t too hard! Conventional media evaluation would have missed this crucial insight.

Strengths of participant reporting include its holistic coverage of the complete customer journey, and the mix of qualitative and quantitative insight it can provide, allowing statistical analysis of which experiences are most influential. *Weaknesses* include the

difficulty in estimating the mere measurement effect on the respondent of the act of participating in the study - a control group can help here – and the need to motivate study participants..

Summary

Surveys and focus groups are invaluable, but there are many parts of the customer journey which they find difficult to reach, and they are stronger at assessing customer reactions to the firm's current products and services than they are at understanding the context within which these products are applied. Immersive techniques have become a vital part of the insight toolbox.

As these methods are holistic, the insights will be wide-reaching in their implications, so actioning this insight requires the involvement of a wide range of stakeholders – operations and service as well as marketing.

But even better can be to involve senior managers directly in the research, as happened at BA as well as Proctor & Gamble. While other airlines have now taken the lead in service standards, Britain continues to attract global interest in its marketing practices in another sector: grocery retailing. How does Sainsbury's keep its customer experience up? By asking board directors to spend time every month working in the store and accompanying customers shopping. Such direct immersion is worth any number of market research reports.

FURTHER READING ON WARC.COM

P&G adapts in emerging markets. *WARC News*, 10 Jan 2011

Digital anthropology by Ray Pettit. *Journal of Advertising Research*, 2010.

The ethical dilemmas and challenges of ethnographic research in online communities by Neil Hair and Moira Clark. *International Journal of Market Research*, 2007.

Capturing how a catch-phrase caught on by Ana Medeiros and Fiona Blades. *MRS Annual Conference* 2008, <http://www.meshplanning.com/content/wp-content/uploads/2011/04/Capturing-how-a-catchphrase-caught-on-WARC-WOM-Conference.pdf>

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The Game-Changer by A F Lafley and R Charan. *Crown Business*, 2008.